

	U.S. ENVIRONMENTAL PROTECTION AGENCY Cooperative Agreement	GRANT NUMBER (FAIN): 02J04301 MODIFICATION NUMBER: 0 PROGRAM CODE: TA	DATE OF AWARD 03/29/2022
		TYPE OF ACTION New	MAILING DATE 04/05/2022
		PAYMENT METHOD:	ACH# X0220
RECIPIENT TYPE: Intermunicipal		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov	
RECIPIENT: Lane Regional Air Protection Agency 1010 Main Street Springfield, OR 97477-4879 EIN: 93-0575930		PAYEE: Lane Regional Air Protection Agency 1010 Main Street Lane, OR 97477-4879	
PROJECT MANAGER Steve Dietrich 1010 Main Street Springfield, OR 97477-4879 Email: stevedietrich@lrpa.org Phone: 541-736-1056	EPA PROJECT OFFICER John Chi 1200 Sixth Ave Suite 155, 15-D13 Seattle, WA Email: chi.john@epa.gov Phone: 206-553-1185	EPA GRANT SPECIALIST Andrea Bennett 1200 Sixth Ave 17-C04 Seattle, WA 98101 Email: bennett.andrea@epa.gov Phone: 206-553-1789	
PROJECT TITLE AND DESCRIPTION Oakridge Air Targeted Airshed Program The purpose of this cooperative agreement is to provide assistance to Lane Regional Air Protection Agency (LRAPA); in its efforts to reduce emissions throughout the Oakridge nonattainment area. The recipient will implement activities within the scope of the targeted airshed grant program including:: certified woodstoves and pellet stoves; heat pumps (both ducted and ductless) to provide local emission-free heat; weatherization and repair to reduce the need for heat; woodsheds built by the local high school Career & Technical Education (CTE) program to ensure the wood that is burned is dry; health and air quality data tracking to demonstrate progress; and a suite of education and enforcement actions to ensure health standards are met. The anticipated deliverables and outcomes of this award include at least 36 additional homes with new heating devices and weatherization upgrades. Intended Beneficiaries: Direct beneficiaries of this program include Oakridge nonattainment area residents who will have decreased exposure to PM2.5 emissions. School education through the watershed council. Will also be funding the Oakridge Police code enforcement.			
BUDGET PERIOD 01/01/2022 - 08/31/2026	PROJECT PERIOD 01/01/2022 - 08/31/2026	TOTAL BUDGET PERIOD COST \$2,739,425.00	TOTAL PROJECT PERIOD COST \$2,739,425.00
NOTICE OF AWARD Based on your Application dated 06/22/2021 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$2,739,425.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$2,739,425.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS EPA R10 , EPA Region 10 Mail Code: 17-C04, 1200 Sixth Avenue, Suite 155 Seattle, WA 98101		ORGANIZATION / ADDRESS U.S. EPA, Region 10, Air and Radiation Division R10 - Region 10 1200 Sixth Avenue, Suite 155 Seattle, WA 98101	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official Alan Lee - Grants Management Officer			DATE 03/29/2022

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$0	\$2,739,425	\$2,739,425
EPA In-Kind Amount	\$0	\$0	\$0
Unexpended Prior Year Balance	\$0	\$0	\$0
Other Federal Funds	\$0	\$0	\$0
Recipient Contribution	\$0	\$0	\$0
State Contribution	\$0	\$0	\$0
Local Contribution	\$0	\$0	\$0
Other Contribution	\$0	\$0	\$0
Allowable Project Cost	\$0	\$2,739,425	\$2,739,425

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.956 - Targeted Airshed Grant Program	2020FurtherConsolidatedAppropriationsAct (PL116-94)	2 CFR 200, 2 CFR 1500 and 40 CFR 33

[illegible]

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$72,221
2. Fringe Benefits	\$19,500
3. Travel	\$10,000
4. Equipment	\$45,000
5. Supplies	\$653,000
6. Contractual	\$1,574,842
7. Construction	\$0
8. Other	\$356,600
9. Total Direct Charges	\$2,731,163
10. Indirect Costs: 0.00 % Base	\$8,262
11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %)	\$2,739,425
12. Total Approved Assistance Amount	\$2,739,425
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$2,739,425
15. Total EPA Amount Awarded To Date	\$2,739,425

Administrative Conditions

1. National Administrative Terms and Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2021-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

Federal Financial Reports (SF-425): rtpfc-grants@epa.gov

MBE/WBE reports (EPA Form 5700-52A): bennett.andrea@epa.gov

All other forms/certifications/assurances, Indirect Cost Rate Agreements, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: wasson.wendy@epa.gov

Requests for Extensions of the Budget and Project Period, Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables, Amendment Requests, Requests for other Prior Approvals: chi.john@epa.gov

Administrative questions and issues: bennett.andrea@epa.gov

B. Pre-Award Costs

In accordance with 2 CFR 1500.9, the recipient may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from 1/01/2022 to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

Programmatic Conditions

FY2021 Targeted Airshed Programmatic Terms & Conditions for Devices Providing Heat Project-Related Assistance Agreement

I. FOUNDATIONAL PROGRAMMATIC TERMS AND CONDITIONS

A. Workplan and Budget Revisions

The recipient is expected to carry out the tasks and activities in the approved workplan. The recipient shall consult the U.S. Environmental Protection Agency (EPA) Project Officer (PO) regarding whether a proposed budget or workplan activity revision constitutes a significant change in the scope or the objective of the project or program. The recipient may not make significant changes to the proposed activities in the EPA-approved workplan or budget without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If issues arise regarding workplan activities (including technology compatibility issues) that cannot be resolved, EPA may elect to terminate the cooperative agreement following the procedural requirements of 2 CFR Parts 200 and 1500, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

B. Substantial Federal Involvement for Cooperative Agreements

EPA will be substantially involved in overseeing this cooperative agreement, which may include, but is not limited to programmatic oversight and monitoring, reviewing project phases, approving substantive terms included in professional services contracts (EPA will not direct or recommend that the recipient enter into a contract with a particular entity), and EPA collaboration regarding scope of work and mode of operation.

C. Quarterly Performance Reporting and Final Performance Report

C.1. Quarterly Reports – Content

The recipient must submit quarterly performance reports that address the progress made to achieve the workplan commitments. The recipient must include summary information on technical progress and expenditures, and planned activities for next quarter.

In accordance with 2 CFR §200.329, the recipient agrees to submit performance reports that include brief information on each of the following areas:

- a. a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period;
- b. the reasons why established outputs/outcomes were not met; and
- c. additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

A suggested template for the quarterly reports will be provided by the PO. Additionally, the recipient agrees to inform the PO as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement workplan arise.

For residential devices providing heat replacement projects, each quarterly report must include the total number of scrapped and replaced, replaced-only, and/or repaired devices.

C.2. Final Report – Content

The recipient must submit the final performance report to the PO within 120-days after the project period end date or termination of the assistance agreement. A suggested template for the final report, similar to the quarterly report template, will be provided by the PO. As applicable, the total number of removed and/or scrapped devices, the total number of repaired devices, and the total number of new funded devices must be included in the final performance report. The final performance report must include the following:

- a. A narrative summary of the project or activity.
- b. Project results (outputs and outcomes) as reflected in the final, approved workplan, which must include but are not limited to

the following:

- i. For demonstration projects, testing processes and results, and/or the performance of the device(s) must be provided.
 - ii. Final estimated air emissions benefit calculations for all the activities undertaken by the recipient. Estimated emissions benefits may include pollutants (e.g., PM2.5 and NOx) that affect the nonattainment status of the area where the project is located. The final estimated emission benefit calculations must be based on the actual number and type of funded devices as included in the workplan. The recipient must include the methodologies and a detailed explanation of how these estimated values were derived, as well as any assumptions or default values used for the purposes of emissions benefit calculations.
- C. Required documentation, as listed in Section II.A.3. below.
- d. A description of how the project or activities contributed towards compliance with the State Implementation Plan and/or National Ambient Air Quality Standards.
 - e. A discussion of the problems, successes, and lessons learned – including feedback received from project participants (e.g., program beneficiaries, members of the public, subrecipients, contractors, etc.) – for the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere.
 - f. If any cost-share or leveraged funds were reported, the recipient must identify the source of funds.
 - g. If any program income was generated, the recipient must identify the amount of program income, how it was generated, and how the program income was used, as described in the Program Income section below.
 - h. To the extent possible, qualitative estimated health benefits achieved, which can be measured by the type of illnesses prevented, avoided health care costs, missed work/school days avoided or reduced mortality from air pollution.

C.3. Quarterly Reports – Due Dates

Quarterly reports are due according to the following schedule, or an alternative schedule with prior approval by the PO:

- October 1 - December 31; Reporting Period: report due January 31;
- January 1 - March 31; Reporting Period: report due April 30;
- April 1 - June 30; Reporting Period: report due July 31; and
- July 1 - September 30; Reporting Period: report due October 31.

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

C.4. Final Report – Due Date

The recipient must submit the final performance report to the PO within 120-days after the project period end date or termination of the assistance agreement.

C.5. Subaward Reporting Requirement for Quarterly and Final Reports

A subaward means an award provided by the recipient to a subrecipient for the subrecipient to carry out part of this Targeted Airshed Grant project. It does not include payments to contractors or payments to program beneficiaries receiving participant support costs. The recipient must comply with applicable provisions of 2 CFR Part 200, 2 CFR Part 1500, and the EPA Subaward Policy, which may be found at: [epa.gov/grants/epa-subaward-policy](https://www.epa.gov/grants/epa-subaward-policy). The recipient must report on its subaward monitoring activities under 2 CFR §200.332(d). Examples of items that must be reported:

C.5.1. Summaries of results of reviews of financial and programmatic reports.

C.5.2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.

C.5.3. Environmental results the subrecipient achieved.

C.5.4. Summaries of audit findings and related pass-through entity management decisions.

C.5.5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR §200.208, 2 CFR §200.332(e), and 2 CFR §200.339 Remedies for Noncompliance.

D. Cybersecurity Grant Conditions for Recipients

D.1. State Grant Cybersecurity

The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

D.1.1. EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency Information Technology (IT) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the PO and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

D.1.2. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in D.1.1. if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR §200.332(d), by inquiring whether the subrecipient has contacted the PO. Nothing in this condition requires the recipient to contact the PO on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

E. Delays or Favorable Developments

The recipient agrees that it will promptly notify the PO of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the workplan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The recipient agrees that it will also notify the PO of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

F. Procurement Procedures

The recipient must follow applicable procurement procedures. EPA will not be a party to these transactions. For State recipients, if EPA funds are used to purchase goods or services, the State recipient agrees to comply with 2 CFR §200.317, *Procurement by states*; 2 CFR §§1500.10, *General procurement standards*; and 40 CFR Part 33, *Disadvantaged Business Enterprises Rule*.

All other non-State recipients must comply with the procurement under grants standards of 2 CFR §§200.318 – 327, 2 CFR

§§1500.10, and 40 CFR Part 33 including conducting procurement transactions in a manner providing full and open competition as set forth in the applicable regulations. Approval of a funding proposal does not relieve recipients of their obligations to compete service contracts, and conduct cost and price analyses. In addition, a subaward cannot be used if the transaction falls within the category of a procurement.

G. For-Profit Sub-Recipients

In addition to the EPA General Term and Condition "Establishing and Managing Subawards", the recipient (also referred to as "pass-through entity") agrees to require that for-profit subrecipients/subgrantees comply with the applicable provisions of Subparts A through F of the Uniform Grant Guidance (2 CFR Part 200) and the Federal cost principles applicable to for-profit entities located at 48 CFR Part 31, with the exception of the method of payment to for-profit subrecipients must be "reimbursement" rather than "advance." The recipient/pass-through entity agrees to obtain documentation that the for-profit subrecipient/subgrantee has incurred eligible and allowable costs prior to releasing funds to the subrecipient/subgrantee.

H. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf or a copy may also be requested by contacting the PO for this award.

I. Public or Media Events

The recipient agrees to notify the PO listed in this award document of a press release and public or media events publicizing the accomplishment of significant events related to projects resulting from this agreement and provide the opportunity for review of a press release or attendance and participation by federal representatives with at least ten working days' notice.

J. EPASS Security

In accordance with Homeland Security Presidential Directive-12 (HSPD-12), "Policy for a Common Identification Standard of Federal Employees and Contractors;" Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information;" and Executive Order 13488, "Granting Reciprocity on Excepted Service and Federal Contractor Employee Fitness and Reinvestigating Individuals in Positions of Public Trust," the recipient agrees to follow instructions from the PO to ensure compliance with the EPA Personnel Access and Security System (EPASS).

Prior to beginning work at an EPA facility, the recipient, or its employees or program participants, must complete either:

1. a favorable fingerprint check for recipients (and their employees or program participants) who require six months or less of unescorted physical access to EPA facilities; or
2. a favorable background investigation and fingerprint check for recipients (and their employees or program participants) who require more than six months of unescorted physical access to EPA facilities.

Recipients, their employees, or program participants may not be permitted access to EPA facilities until meeting these requirements.

Recipients may initiate the appropriate check through the following website: <https://cdx.epa.gov>.

Failure of a recipient, their employees, or program participants to receive a favorable fingerprint or background check, whichever is applicable, shall result in the termination of the recipient, the employees, or program participants from continued enrollment in the program.

K. Quality Assurance

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement the Quality Assurance (QA) planning documents in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

1. Quality Management Plan (QMP) (When required, select an Option for clause a.)

a. Prior to beginning environmental information operations, the recipient must:

Option 1

- i. Develop a QMP,
- ii. Prepare the QMP in accordance with the most current version of [EPA QA/R-2: EPA Requirements for Quality Management Plans](#).
- iii. Submit the document for EPA review, and
- iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval. or

Option 2

- i. Submit a previously EPA-approved and current QMP,
- ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the QMP is acceptable for this agreement.

b. The recipient must submit the QMP within 90 days after grant award, and/or no more than 180 days after grant award.

c. The recipient must review their approved QMP at least annually. The results of the QMP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur.

2. Quality Assurance Project Plan (QAPP) (Select an Option for clause a.)

a. Prior to beginning environmental information operations, the recipient must:

Option 1

- i. Develop a QAPP,
- ii. Prepare QAPP in accordance with the most current version of [EPA QA/R-5: EPA Requirements for Quality Assurance Project Plans](#).
- iii. Submit the document for EPA review, and

IV. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

Option 2

- i. Submit a previously EPA-approved QAPP proposed to ensure the collected, produced, evaluated, or used environmental information is of known and documented quality for the intended use(s).
- ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the previously EPA-approved QAPP is acceptable for this agreement.

Option 3

- i. Provide EPA a copy of the recipient-approved QAPP if the recipient has an EPA-approved Quality Management Plan and a current EPA delegation to review and approve QAPPs.
- b. The recipient must submit the QAPP 90 days after grant award, and/or no more than 180days after grant award.
- c. The recipient shall notify the PO and QAM when substantive changes are needed to the QAPP. EPA may require the QAPP be updated and re-submitted for approval.
- d. The recipient must review their approved QAPP at least annually. The results of the QAPP review and any revisions must be submitted to the PO and the QAM at least annually and may also be submitted when changes occur (QAM or PO may add additional specifications).

L. Equipment Disposition

In accordance with 2 CFR 200.313, when original or replacement equipment acquired under this agreement is no longer needed for the original project or program or for other activities currently or previously supported by EPA, the recipient must request disposition instructions from the EPA Project Officer. Disposition instructions will be one of the following:

- (1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the EPA.
- (2) Except as provided in 2 CFR 200.312 Federally-owned and exempt property, paragraph (b), or if EPA fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the recipient or sold. EPA is entitled to an amount calculated by multiplying the current market value or proceeds from sale by EPA's percentage of participation in the cost of the original purchase. If the equipment is sold, EPA may permit the recipient to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
- (3) The recipient may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the recipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.
- (4) In cases where a recipient fails to take appropriate disposition actions, EPA may direct the recipient to take disposition actions.

M. Program Income

In accordance with 2 CFR Part 200.307(e)(2) and 2 CFR 1500.8(b), the recipient is hereby authorized to retain program income earned during the project period.

The program income shall be used in one of the following ways:

1. Added to funds committed to the project by EPA and used for the purposes and under the conditions of the assistance agreement.
2. Used to finance the non-Federal share of the project or program.
3. Deducted from total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based.

The recipient must provide as part of its Quarterly and Final performance report, a description of how program income is being used. Further, a report on the amount of program income earned during the award period must be submitted with the Annual and Final Federal Financial Report, Standard Form 425.

N. Paperwork Reduction Act

Notwithstanding any references to collection of information in the recipient's application or proposal for EPA funding, the scope of work for this cooperative agreement does not include a survey or other information collection of identical information from 10 or more parties. No EPA funds (directly paid by EPA or from the recipient's cost share) may be used for the design or administration of such an information collection, and EPA personnel may not participate in such activities. Reasonable costs for analyzing independently collected information and publishing the results of such information collections are allowable to the extent authorized in the EPA approved budget for this agreement.

O. Participant Support Costs/Rebates

Participant support costs include rebates, subsidies, stipends, or other payments to program beneficiaries. Program beneficiaries cannot be a contractor, subrecipient, or employee of recipient. Participant support costs are not subawards as defined by 2 CFR §200.1 and should not be treated as such. Participant support costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement.

- Recipient must abide by EPA Participant Support Cost regulation(s) and guidelines including but not limited to *Interim EPA Guidance on Participant Support Costs*: www.epa.gov/sites/production/files/2018-09/documents/interim_guidance_on_participant_support_costs.pdf.
- Recipient must maintain source documentation regarding program support funds to ensure proper accounting of EPA funds.
- Recipient must enter into a written agreement with the program beneficiary that receives participant support costs. Such agreement should not be structured as a subaward agreement, and the administrative grant regulations under 2 CFR Part 200 and 2 CFR Part 1500, as well as EPA's general terms and conditions do not flow down to program beneficiaries receiving participant support costs. Such written agreement is also required if a subrecipient or contractor intends to issue participant support costs to a program beneficiary. The written agreement must:
 - Describe the activities that will be supported by rebates, stipends, subsidies or other payments;
 - Specify the amount of the rebate, subsidy, stipend, or other payment;
 - Identify which party will have title to equipment (if any) purchased with a rebate or subsidy or other payment; and
 - Specify any reporting required by the program beneficiary and the length of time for such reporting.
- Recipient must obtain the prior written approval from EPA's Award Official if it wants to provide participant support costs that were not described in the approved workplan and budget. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.
- Recipient must obtain prior written approval from EPA's Award Official if recipient wants to modify the amount approved (upwards or downwards) for participant support costs. If the recipient's request would result in undermining the integrity of the

competition this grant or cooperative agreement was awarded under, EPA will not approve the request.

II. ACTIVITY-SPECIFIC AND PROJECT-SPECIFIC PROGRAMMATIC TERMS AND CONDITIONS

These Specific Programmatic Terms and Conditions apply to assistance agreements that fund replacement-only, repair, and scrappage and replacement project(s). Replacement-only and scrappage and replacement projects include any project to replace a higher-polluting vehicle, engine, equipment, device, or appliance with a cleaner, lower-polluting vehicle, engine, equipment, device or appliance (referred throughout this document as a “device”). Scrappage and replacement projects may only include scrapping a higher-polluting device and replacing a cleaner device. Replacement-only projects may only include removing a higher-polluting device from the nonattainment area as listed in the EPA approved workplan and replacing it with a cleaner device. Projects that provide EPA financial assistance to remove and render inoperable a fully operational high-polluting device without installing a less polluting device may be allowed, as long as the recipient can demonstrate the estimated emission reductions as included in the EPA approved workplan. Scrappage and replacement projects may only include scrapping a higher-polluting device and not include replacing a cleaner device. Repair or retrofit projects may only include repairing a higher-polluting device and not scrapping or replacing it with a cleaner device. These devices may operate in, but are not limited to, the following applications: mobile on- and nonroad vehicles, engines or equipment, including lawn and garden equipment; or devices providing heat (i.e., woodstoves, fireplaces, heat pumps, coal or pellet stoves, etc.).

Emission reduction projects and activities must meet or exceed the latest emissions standards for the respective pollutant(s). If no federal or state standard for the proposed activity exists, the grantee should use the most stringent, least polluting option.

A. Devices Providing Heat

A.1. Devices Providing Heat

For those assistance agreements that include scrappage and/or replacement activities for devices that provide heat, the recipient agrees that funds under this award will be used to repair, replace, or remove inefficient, higher-polluting devices. Consistent with the recipient's approved workplan, the recipient will repair devices to make them more efficient and less polluting or replace devices with cleaner, lower-polluting, more efficient devices. Inefficient, higher-polluting devices include, but are not limited to wood stoves, wood burning devices, open-hearth fireplaces, coal stoves, pellet stoves, wood fueled hydronic heaters, pellet fueled hydronic heaters, masonry heaters, solid fuel burning devices, and any other devices listed in the EPA-approved workplan. Cleaner, lower-polluting, more efficient devices include but are not limited to EPA-certified wood-burning devices, EPA-certified pellet devices, certified masonry heaters, oil devices, ENERGY STAR-certified electric devices (such as heat pumps), propane heaters, and natural gas devices and geo-thermal. The recipient agrees that cleaner, less polluting certified wood or pellet devices other than masonry heaters must be identified on the current list of EPA Certified Wood Heaters (see www.epa.gov/compliance/epa-certified-wood-heater-database) to be eligible for replacement. Masonry heaters must be included in either the approved list by the state of Colorado (see www.colorado.gov/pacific/cdphe/approved-indoor-burning-devices) or the state of Washington (see ecology.wa.gov/Air-Climate/Air-quality/Smoke-fire/wood-stove-info). Installation of new cleaner burning devices must be done by a certified or licensed professional or the equivalent. Other acceptable installation processes may be considered but will require prior written approval from the EPA PO.

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded cleaner, lower-polluting replacement devices providing heat, the recipient must ensure that the subrecipient or contractor:

- a.** train the program beneficiaries on how to properly operate the cleaner, lower-polluting replacement devices; and

ensure permanent emission reductions of the nonattainment area during the life of the project. Permanent emission reductions may be demonstrated by the use of deed restrictions. These requirements must be clearly set forth in the written subaward agreement or

contract. These requirements must be clearly set forth in the written subaward agreement or contract.

The recipient agrees not to repair, replace, or retrofit any heating device that was previously purchased with Federal funds since January 2015, regardless of the type of device and amount of emissions that may be reduced. Additionally, projects cannot include any costs that are included as a cost or used to meet cost sharing or matching requirements of any other federally-financed project, as required under 2 CFR 200.403(f). Projects can complement but cannot replicate activities funded under another federal assistance agreement(s).

The recipient may not make significant changes to the proposed activities in the EPA-approved workplan unless with prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, following the procedural requirements of 2 CFR Parts 200 and 1500, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

A.2. Device Expansion

The recipient agrees that funds cannot be used for the purchase of devices without rendering another inefficient, higher-polluting device inoperable, as consistent with the EPA-approved workplan. Every inefficient, higher-polluting device must be fully operational and in service at time of replacement, unless described otherwise in the EPA-approved workplan. The recipient agrees that the cleaner, lower-polluting replacement device:

- a. will continue to operate in a similar manner and perform a similar function as the device that is being permanently rendered inoperable,;
- b. will achieve the estimated emission reductions included in the EPA-approved workplan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved workplan.

A.3. Rendering Inoperable and Required Documentation

To ensure the estimated air emissions reductions included in the workplan are achieved and permanent, the recipient agrees that every inefficient, higher-polluting device will be destroyed and rendered inoperable; or permanently removed from the recipient's respective air pollution nonattainment area(s). Inefficient, higher-polluting devices include any device removed from service under this assistance agreement that will be replaced with a cleaner device.

Under this permanent destruction process, the recipient must take every device to an approved licensed dismantler/recycler or the recipient will follow the process described in the EPA-approved workplan. The recipient must deliver the inefficient, higher-polluting device to the licensed dismantler/recycler within 90 days of removing the inefficient, higher-polluting device from service, or as consistent with the EPA-approved workplan. Other acceptable scrappage methods may be considered but will require prior written approval from the EPA PO. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination.

The recipient must provide documentation on removing each inefficient, higher-polluting device from the nonattainment area(s). If the recipient issues a subaward, participant support cost or contract, the recipient must require this/these entity/entities provide such documentation to the recipient. The recipient is responsible for retaining all documentation for:

- a. Each inefficient, higher-polluting device removed from the nonattainment area(s); and
- b. Each cleaner, lower-polluting replacement device as listed in the recipient's workplan.

For each higher-polluting device removed from service, the recipient must:

1. Document that the inefficient, higher-polluting device was fully operational and in service prior to replacement, as described in the Device Expansion section above, or as consistent with the EPA-approved workplan. Acceptable documentation may include clear photographs of the installed and operating device prior to removal.
2. After dismantling/recycling, obtain and retain a receipt from the dismantler/recycler, or other approved documented proof of rendering the applicable device inoperable.
3. After installation, document the installation of the new device.

A device description tracking sheet which includes details on every replaced higher-polluting and deployed cleaner device is required for all replacement, repair, and/or retrofit projects. The EPA PO will provide a template tracking sheet.

In accordance with 2 CFR §200.334, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the cooperative agreement award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken. In accordance with 2 CFR §200.337, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers, or records of the recipient which are pertinent to the cooperative agreement award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the inefficient, higher-polluting device(s) components are to be sold, the recipient must comply with the program income requirements (see the Program Income section I above).

A.4. Location

The recipient agrees that the EPA-funded project will be located in the recipients' respective air pollution nonattainment area(s) as indicated in the recipient's workplan and carried out in the nonattainment area(s) for the life of the project. The funded cleaner, lower-polluting, more efficient devices may not operate outside of the nonattainment area(s) for the life of the project.

END OF DOCUMENT